

Exhibit D

1 San Francisco, California

2 Tuesday, August 4th, 2015

3 9:09 a.m. - 4:29 p.m.

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6 THE VIDEOGRAPHER: This is Tape No. 1 to
7 the videotaped deposition of Ian H. Altman in the
8 matter of Robert Johnston, et al., versus Dow
9 Employees' Pension Plan, et al., being heard before
10 the U.S. District Court for the Eastern District of
11 Michigan, Case Number 114-cv-10427.

12 This deposition is being held at
13 235 Montgomery Street, Suite 944, San Francisco,
14 California 94104, on August 4th, 2015, at 9:09 a.m.

15 My name is Peter Yaroschuk. I'm the
16 videographer. The court reporter is Monica Georg.

17 Counsel will you please introduce
18 yourselves and affiliations and the witness will be
19 sworn.

20 MS. AMERT: Amanda Amert for the defendant.

21 MS. RENAKER: Teresa Renaker for the
22 plaintiff.

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1 IAN H. ALTMAN, FSA,
2 having been administered an oath, was examined and
3 testified as follows:
4

5 EXAMINATION

6 BY MS. AMERT:

7 Q. Mr. Altman, we met earlier but as you know
8 I'm Amanda Amert and I'm one of the attorneys for
9 the defendants in this lawsuit.

10 You understand that you are here to have
11 your deposition taken this morning, correct?

12 A. Correct.

13 Q. And I understand that you've done this
14 before.

15 A. I have been deposed before.

16 Q. About how many times would you say?

17 A. More than 20.

18 Q. Okay. So I am going to go over the ground
19 rules of the deposition 'cause that's what we do as
20 lawyers, but I'll try to keep them brief for your
21 sake and obviously if there's anything along the way
22 that you don't understand or that you need me to
23 explain just let me know, okay.

24 You are being videotaped this morning, but
25 we also have a court reporter here who is

1 page 14. It's Footnote 20. And it reads, "I do not
2 retract the position from my initial report that
3 applying the .925 factor, which scales back benefit
4 by implying a 7.5 percent rate of annual pay
5 increase, is likely detrimental to most class
6 members to whom it is applied."

7 Did I read that correctly?

8 A. You did.

9 Q. What do you mean by detrimental to class
10 members?

11 A. Provides them with lower benefits than
12 would have been provided if we had reflected their
13 actual pay.

14 Q. Their actual pay at DDE?

15 A. Or -- in this particular case, yes, but
16 it's also that in general applying a factor of .925
17 for three-year final average compensation
18 calculation in this time frame is likely to be
19 ungenerous to participants.

20 Q. Whether it is detrimental or not to a
21 particular participant would depend on what their
22 DDE compensation was, correct?

23 A. In this example, yes, or more broadly, it
24 would depend on what their actual salary was
25 relative to this factor.

1 Q. And you have testified that you do not have
2 information about the class members' DDE
3 compensation, correct?

4 A. Correct.

5 Q. Do you know how DDE's compensation was
6 structured generally?

7 A. I know it was different. In fact I've
8 heard perhaps that some people think it was higher
9 than Dow, but -- but I don't know the specifics of
10 it.

11 Q. So if the DDE compensation were
12 significantly lower than the Dow compensation it's
13 possible that the .925 calculation could be
14 beneficial, correct?

15 A. It's possible.

16 Q. And that could also happen if the DDE
17 compensation had a large component that was not
18 considered part of compensation for pension purposes
19 under the Dow plan, correct?

20 A. I'm sorry, try again.

21 Q. Not all compensation automatically
22 in calculating someone's pension, right?

23 A. Right.

24 Q. And the Dow plan has a lengthy definition
25 of what compensation is included, correct?

1 A. Right. Uh-hm.

2 Q. It's possible that DDE could have paid a
3 portion of its compensation in a form that would not
4 count under the Dow plan, correct?

5 A. Yeah, I suppose that's possible. I guess
6 in that circumstance Dow would look at it closely to
7 see what the -- what they felt the plan dictated in
8 that circumstance.

9 Q. And it's possible that a participant in
10 that scenario could be better off with a .925
11 calculation?

12 A. Again, it's possible but those are
13 all -- they're all possible, but I think they're all
14 not likely outcomes.

15 In general I think people in this time
16 frame would have their salary increase at less than
17 7.5 percent increase a year.

18 Q. And you'd have to make that determination
19 on a person-by-person basis --

20 A. You would.

21 Q. -- correct?

22 Could you turn to Paragraph 8 of your
23 rebuttal report, please. This is on page 5.

24 A. Paragraph 8?

25 Q. That's what I wrote down let me check --

1 zero damages because they chose to retire early from
2 both plans, from one plan, from the other plan, in
3 such a way to maximize their situation given the way
4 the rules were being applied. So they may have no
5 damages on my report, but perhaps they would have
6 elected to retire at a different date that would
7 have been more beneficial had the 9.6 proration
8 calculation been applied.

9 Q. So for purposes of this chart you didn't
10 make any adjustments to benefit commencement dates
11 or anything like that to calculate damages, correct?

12 A. That's correct.

13 And where there haven't -- where they
14 haven't commenced payment I assumed payment would
15 commence at 65.

16 Q. Is it your understanding for individuals
17 who do not have damages listed in this chart that
18 these individuals did not experience a reduction in
19 benefits under section -- due to the amendment to
20 add \$10.46?

21 A. Yes. I agree with that with the proviso
22 that again it may have -- they may still have
23 suffered in some manner because they were coerced or
24 encouraged to retire at a date that might have been
25 different than they would have preferred.

1 Q. But you have no way of knowing why a
2 particular person retired on a particular
3 date. Right. I'm just saying that that's --
4 potentially, that that would have happened.

5 So even some of the people with zero
6 damages in this -- under this methodology might
7 potentially have an argument that they were damaged,
8 but I'm not valuing it.

9 Q. Okay. This seems obvious, but just to
10 confirm, the numbers at the bottom of this page, "No
11 Damages, 23, Positive Damages, 33"; does that mean
12 you concluded that 23 of the individuals listed on
13 this chart did have not damages and 33 did?

14 A. Did not -- did not have positive damages
15 under the methodology that I'm utilizing here.

16 Q. Okay. 23 did not and 33 did?

17 A. Right. There're 23 dashes here because the
18 values were zero, less than zero, and 33 positive
19 numbers.

20 Q. And the 5,375,595.55 number, that's a total
21 of all the numbers listed in the damages column?

22 A. Correct.

23 Q. Did you remove any participants from the
24 list when you revised Exhibit 1 from your original
25 report?

1 Mr. Johnston appears again. He is about a third of
2 the way down the list; do you see that?

3 A. I do.

4 Q. With a different social security number
5 than at the top of the list.

6 A. Hmm, sorry, I --

7 Q. That's okay.

8 A. No, I wasn't intending for the full social
9 security number to appear.

10 Q. Well, we had them already, so --

11 A. No, it's just I'm just always worried about
12 social security numbers appearing somewhere.

13 Q. But otherwise you'll see that the numbers
14 for the two instances where Mr. Johnston appears are
15 the same I think, other than the social security
16 numbers.

17 A. Right. So that was -- that was inadvertent
18 and I cannot give you a reason. I -- I have some
19 idea as to how that happened in the way we were
20 making the calculations and sorting them, but --

21 So the results would be slightly different
22 and probably slightly lower.

23 Q. Okay. Do you know whether the removal of
24 Participant 56 from this chart was intentional?

25 A. I don't think it was. I think it was just

1 3:23 p.m.

2 (Short recess was taken from 3:23 p.m.
3 until 3:27 p.m.)

4 THE VIDEOGRAPHER: We're back on the record
5 at 3:27 p.m.

6 BY MS. AMERT:

7 Q. Mr. Altman, we've talked at some lengths
8 about how you calculated the damages which required
9 you to calculate benefits for the participants who
10 transferred to DDE and back, correct?

11 A. I'm sorry, maybe I just didn't hear you.
12 Could --

13 Q. I just meant that as an introductory.

14 A. I understand you're getting rolling, but I
15 just want to make sure --

16 Q. Sure.

17 A. -- that we talked about how I calculated
18 the benefits.

19 Q. Of the participants who transferred from
20 Dow to DDE and then back to Dow, right?

21 A. Correct. Correct.

22 Q. What are the factors that influence the
23 calculation for an individual participant's benefits
24 as you calculate them?

25 A. Their service with the two different

1 companies.

2 Their pay at the two different companies.

3 The different formulas as described in
4 plan. the

5 Q. What about their benefits' commencement
6 date?

7 A. Their benefit commencement date would
8 affect the amount they are ultimately paid.

9 Q. As well as their retirement date?

10 A. It's typically driven by the benefit
11 commencement date.

12 Q. And for a participant who is not yet
13 retired do you also need to make projections about
14 future years of service and rates of pay?

15 A. Oh, in my calculations?

16 Q. Yes.

17 A. Yes, we would have -- well, we assumed that
18 they stayed employed until -- until the age 65
19 benefit commencement date and that they're -- right,
20 that the terms of the plan continued uninterrupted
21 until that point.

22 Q. For employees -- participants who have not
23 yet commenced their benefits some of the factors we
24 just talked about will change over time, correct?

25 A. Meaning they won't come out exactly as

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2
3 I, the undersigned, a Certified Shorthand
4 Reporter of the State of California, do hereby
5 certify:

6 That the foregoing proceedings were taken
7 before me at the time and place herein set forth;
8 that any witnesses in the foregoing proceedings,
9 prior to testifying, were placed under oath; that a
10 verbatim record of the proceedings was made by me
11 using machine shorthand which was thereafter
12 transcribed under my direction; further, that the
13 foregoing is an accurate transcription thereof.

14 I further certify that I am neither
15 financially interested in the action nor a relative
16 or employee of any attorney of any of the parties.

17 IN WITNESS WHEREOF, I have this date
18 subscribed my name.

19
20 Dated: August 6th, 2015

21
22
23 MONICA LEPE-GEORG, No. 11976
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